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DA 18-530

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MEDIA BUREAU ESTABLISHES CONSOLIDATED PLEADING CYCLE FOR AMENDMENTS TO THE JUNE 26, 2017, APPLICATIONS TO TRANSFER CONTROL OF TRIBUNE MEDIA COMPANY TO SINCLAIR BROADCAST GROUP, INC., RELATED NEW DIVESTITURE APPLICATIONS, AND TOP-FOUR SHOWINGS IN TWO MARKETS

**MB Docket No. 17-179** 

Petition to Deny Date: June 20, 2018

Opposition Date: July 5, 2018 Reply Date: July 12, 2018

On April 24, 2018, and May 14, 2018, the Federal Communications Commission (Commission) received amendments to the original set of applications (Original Applications) seeking consent to the transfer of control of subsidiaries of Tribune Media Company (Tribune) holding the licenses of full-power broadcast television stations (and related broadcast auxiliary facilities), low-power television stations, and TV translator stations to Sinclair Broadcast Group, Inc. (Sinclair, jointly Applicants). Sinclair and Tribune have also filed a set of new applications to divest certain stations to third parties (Divestiture Applications) in connection with the transaction. In addition, as described below, in two markets the Applicants seek consent to combine two top-four rated stations. Because this proceeding involves

<sup>&</sup>lt;sup>1</sup> The Original Applications in this transfer of control proceeding (the Merger) were put out on public notice on July 6, 2017. *Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of Tribune Media Company to Sinclair Broadcast Group, Inc. and Permit-But-Disclose Ex Parte Status for the Proceeding*, MB Docket 17-179, Public Notice, 32 FCC Rcd 5481 (MB 2017) (*July 2017 Public Notice*). Copies of the Original Applications, as amended, are available in the Commission's Consolidated Database System (CDBS).

<sup>&</sup>lt;sup>2</sup> A list of the Divestiture Applications can be found on the attachment to this Public Notice. Copies of the applications are available in CDBS. All of the applications listed on the attachment to this Public Notice have been accepted for filing. On February 21, 2018, and March 6, 2018, Sinclair and Tribune, respectively, filed applications to assign the licenses of certain stations to divestiture trusts. Those applications have been withdrawn. *Letter from Miles Mason to Marlene Dortch, Secretary, Federal Communications Commission*, dated March 6, 2018; *Letter from Miles Mason to Marlene Dortch, Secretary, Federal Communications Commission*, dated April 24, 2018. An application was previously filed to divest station WPIX(TV), New York, NY. *See* File No. BALCDT-20180227ABE. That application has now been withdrawn. *Letter from Miles Mason to Marlene Dortch, Secretary, Federal Communications Commission*, dated April 23, 2018. In addition, an application was previously filed to divest station KPLR-TV, St. Louis, MO. *See* File No. BTCCDT-20180424ABB. That application has also been withdrawn. *Letter from Miles Mason to Marlene Dortch, Secretary, Federal Communications Commission*, dated May 14, 2018.

multiple transactions in multiple markets and requires, *inter alia*, coordinated timing to effectuate divestures of certain stations, we believe consolidated processing of these applications will result in administrative efficiency and ensure a comprehensive record in this proceeding.

**Background**. The Applicants filed the Original Applications on June 26, 2017.<sup>3</sup> In those applications, Sinclair proposed to acquire Tribune through the merger of a newly formed subsidiary of Sinclair with and into Tribune, immediately followed by Tribune merging with and into Sinclair's wholly-owned subsidiary, Sinclair Television Group, Inc. (STG), with STG as the surviving company.<sup>4</sup> As a result, Tribune's licensee subsidiaries would become indirect subsidiaries of Sinclair.

Absent any divestitures, the proposed Merger would result in the combined company exceeding the audience reach limit set forth in the Commission's national television multiple ownership rule.<sup>5</sup> In the Original Applications, the Applicants stated that they "will take such actions to the extent required to comply with the terms of the Merger Agreement and the national television ownership limit (including the UHF Discount), in order to obtain FCC approval of the Transaction." They represent that grant of the Divestiture Applications will bring the post-Merger combined company into compliance with the national ownership cap.<sup>7</sup>

As explained more fully in the Comprehensive Exhibit, as amended, in several Designated Market Areas Sinclair and Tribune both own full power television stations (Overlap Markets). The Applicants state that, in nine of the Overlap Markets,<sup>8</sup> the Commission's local television multiple ownership rule does not allow Sinclair to own both its current station(s) and the Tribune station(s) and that it will divest stations in order to comply with the rule.<sup>9</sup> In two Overlap Markets, Sinclair makes a showing, as newly authorized by the Commission,<sup>10</sup> seeking permission to own two top-four stations in a single market<sup>11</sup>: Indianapolis, Indiana, where Sinclair proposes to acquire Tribune's existing stations, both

<sup>&</sup>lt;sup>3</sup> *July 2017 Public Notice* (setting a pleading cycle that closed on August 29, 2017, and establishing permit-but-disclose *ex parte* status for the proceeding).

<sup>&</sup>lt;sup>4</sup> Comprehensive Exhibit at 1.

<sup>&</sup>lt;sup>5</sup> The national television multiple ownership rule prohibits a single entity from owning television stations that, in the aggregate, reach more than 39 percent of the total television households in the United States as calculated under the Commission's Rules. 47 CFR § 73.3555(e).

<sup>&</sup>lt;sup>6</sup> Comprehensive Exhibit at 26.

<sup>&</sup>lt;sup>7</sup> April 24, 2018 Amendment to Comprehensive Exhibit at 2, 20.

<sup>&</sup>lt;sup>8</sup> In the Original Applications, the Applicants stated that there were ten Overlap Markets that required divestitures under the local television multiple ownership rule, 47 C.F.R. § 73.3555(b). Comprehensive Exhibit at 12-14. However, the Commission's recent decision in 2014 Quadrennial Regulatory Review — Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Order on Reconsideration and Notice of Proposed Rulemaking, FCC No. 17-156, MB Docket Nos. 14-50, 09-182, 07-294, 04-256, 17-289 (2017) (Reconsideration Order), has amended the local television multiple ownership rule, and the Applicants now contend that they must divest stations in only nine markets to comply with the rule. April 24, 2018, Amendment to Comprehensive Exhibit at 3-5.

<sup>&</sup>lt;sup>9</sup> See 47 CFR § 73.3555(b).

<sup>&</sup>lt;sup>10</sup> See 47 CFR § 73.3555(b)(1)(i); Reconsideration Order, 32 FCC Rcd at ¶ 78-82.

<sup>&</sup>lt;sup>11</sup> Concurrently with this Public Notice, we are issuing an Information Request to the Applicants seeking the electronic submission of data in support of the request to own two top-four stations in Indianapolis, Indiana, and St.

of which are ranked among the top four; 12 and St. Louis, Missouri, where Sinclair proposes to own Tribune station KTVI(TV), St. Louis, Missouri, in combination with either Sinclair station KDNL-TV, St. Louis, Missouri, or Tribune station KPLR-TV, St. Louis, Missouri. 13 The Applicants assert that, in two other Overlap Markets, permissible duopolies will be created by the transaction; in one market a permissible three station combination will be created; 14 and, in three markets where Sinclair currently does not own stations, it will acquire existing permissible duopolies. 15 Finally, as a result of the Merger, Sinclair also will acquire four radio stations in Seattle, Washington, and two radio stations in Chicago, Illinois, which the Applicants state are permissible combinations. 16

## **GENERAL INFORMATION**

The Divestiture Applications have been accepted for filing upon initial review. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Interested persons<sup>17</sup> and parties wishing to file comments and reply comments to the Divestiture Applications or Original Applications, as amended, must file petitions to deny no later than June 20, 2018. Oppositions to petitions to deny must be filed no later than July 5, 2018. Replies must be filed no later than July 12, 2018. In addition, interested persons with comments on the top-four showings shall use this same pleading cycle.

To allow the Commission to consider fully all substantive issues regarding the applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their original filings. Replies may only address matters raised in oppositions. A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible to raise the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such showings of good cause, any issues not timely raised may be disregarded by the Commission.

Louis, Missouri, respectively.

<sup>&</sup>lt;sup>12</sup> April 24, 2018, Amendment to Comprehensive Exhibit at 5-12.

<sup>&</sup>lt;sup>13</sup> April 24, 2018 Amendment to Comprehensive Exhibit at 12-17; May 14, 2018 Amendment to Comprehensive Exhibit at 2-5. As the United States Department of Justice, Antitrust Division (DOJ), has not yet approved a specific divestiture in the market, it is uncertain exactly which two stations Sinclair would retain. Accordingly, the Applicants have filed applications seeking consent to assign or transfer KDNL-TV and KPLR-TV to a divestiture trust, pending the conclusion of the DOJ review.

<sup>&</sup>lt;sup>14</sup> Portland, Oregon. *Id.* at 18.

<sup>&</sup>lt;sup>15</sup> Washington, DC; Milwaukee, Wisconsin; and New Orleans, Louisiana. *Id.* at 17.

<sup>&</sup>lt;sup>16</sup> Comprehensive Exhibit at 15-16. In addition, Sinclair seeks continuing satellite waivers in two markets and continuing failing station waivers in two markets. Comprehensive Exhibit at 16-26.

<sup>&</sup>lt;sup>17</sup> Persons and entities that file petitions to deny become parties to the proceeding.

<sup>&</sup>lt;sup>18</sup> 47 CFR § 1.45(c).

<sup>&</sup>lt;sup>19</sup> See id. §§ 1.46(a) and 73.3584(e).

All filings concerning matters referenced in this Public Notice should refer to MB Docket No.17-179, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.<sup>20</sup>

Submissions in this matter may be filed electronically (*i.e.*, through ECFS) or by filing paper copies.

- Electronic Filers: Documents may be filed electronically using the Internet by accessing the ECFS: <a href="http://fjallfoss.fcc.gov/ecfs2/">http://fjallfoss.fcc.gov/ecfs2/</a>.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. Filings may be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554.
- All hand-delivered or messenger-delivered paper filings no larger than a copier paper box for the Commission's Secretary must be delivered to the Mail and Distribution Window at FCC Headquarters at 445 12th Street, S.W., Washington, D.C. 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, S.W., Washington, DC 20554.

## In addition, one copy of each submission must be sent to the following:

- David Brown, Video Division, Media Bureau, Room 2-A662, e-mail David Brown@fcc.gov
- David Roberts, Video Division, Media Bureau, Room 2-A660, e-mail David.Roberts@fcc.gov
- Jeremy Miller, Video Division, Media Bureau, Room 2-A821, e-mail Jeremy.Miller@fcc.gov

Any submission that is e-mailed to David Brown, David Roberts, or Jeremy Miller should include in the subject line of the e-mail: (1) MB Docket No. 17-179; (2) the name of the submitting party; (3) a brief description or title identifying the type of document being submitted (*e.g.*, MB Docket No. 17-179, Sinclair Tribune Merger, *Ex Parte* Notice).

*People with Disabilities*. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

<sup>&</sup>lt;sup>20</sup> We remind interested parties seeking to make *ex parte* presentations to refer to the *July 2017 Public Notice* for instructions. We further remind interested parties that filings in this proceeding are to subject a protective order. *In the Matter of Tribune Media Co. (Transferor) & Sinclair Broad. Grp., Inc. (Transferee)*, DA 17-730 (Med. Bur. Aug. 3, 2017).

Availability of Documents. Documents in this proceeding will be available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554.

The applications are also available electronically through the Commission's ECFS, which will provide hyperlinks to the applications in the Media Bureau's Consolidated Database System (CDBS). ECFS may be accessed on the Commission's Internet website at <a href="http://www.fcc.gov">http://www.fcc.gov</a>.

For further information, contact David Brown at (202) 418-1645, David Roberts at (202) 418-1618, or Jeremy Miller at (202) 418-1507. For press inquiries, contact Janice Wise at (202) 418-8165.

By: Chief, Media Bureau

## ATTACHMENT

Call Sign	Community of License	FAC ID	Licensee	File Number
KOKH-TV	Oklahoma City, OK	35388	KOKH Licensee, LLC	BALCDT-20180430ACV
KUNS-TV	Bellevue, WA	4624	Sinclair Seattle Licensee, LLC	BALCDT-20180426ABR
KMYU(TV)	St. George, UT	35822	KUTV Licensee, LLC	BALCDT-20180426ABQ
WXLV-TV	Greensboro, NC	414	WXLV Licensee, LLC	BALCDT-20180430ADA
WRLH-TV	Richmond, VA	412	WRLH Licensee, LLC	BALCDT-20180430ACY
KDSM-TV	Des Moines, IA	56527	KDSM Licensee, LLC	BALCDT-20180430ACU
KDNL-TV	St. Louis, MO	56524	KDNL Licensee, LLC	BALCDT-20180514ABW
KSWB-TV	San Diego, CA	58827	KSWB, LLC	BALCDT-20180514ABC
KCPQ(TV)	Tacoma, WA	33894	Tribune Broadcasting Seattle, LLC	BALCDT-20180514AAU
WJW(TV)	Cleveland, OH	73150	WJW License, LLC	BALCDT-20180514ABB
KTXL(TV)	Sacramento, CA	10205	KTXL, LLC	BALCDT-20180514ABA
KSTU(TV)	Salt Lake City, UT	22215	KSTU License, LLC	BALCDT-20180514ABF
WSFL-TV	Miami, FL	10203	WSFL, LLC	BALCDT-20180514AAZ
KDVR(TV)	Denver, CO	126	Tribune Broadcasting Denver License, LLC	BALCDT-20180514ABD

Call Sign	<b>Community of License</b>	FAC ID	Licensee	File Number
KFCT(TV)	Fort Collins, CO	125	Tribune Broadcasting Denver License, LLC	BALCDT-20180514ABE
KAUT-TV	Oklahoma City, OK	50182	Tribune Broadcasting Oklahoma City License, LLC	BALCDT-20180426ABP
KDAF(TV)	Dallas, TX	22201	KDAF, LLC	BALCDT-20180427ABL
KIAH(TV)	Houston, TX	23394	KIAH, LLC	BALCDT-20180427ABM
WXMI(TV)	Grand Rapids, MI	68433	WXMI, LLC	BALCDT-20180430ADB
WPMT(TV)	York, PA	10213	WPMT, LLC	BALCDT-20180430ACX
WGN-TV	Chicago, IL	72115	WGN Continental Broadcasting Company, LLC	BALCDT-20180227ABD
KPLR-TV	St. Louis, MO	35417	KPLR, Inc.	BTCCDT-20180514ABV